Foreign CROPS AND MARKETS

FOR RELEASE MONDAY, SEPTEMBER 5, 1955

VOLUME 71 NUMBER 10

CONTENTS

Contents Continued on Page 282

FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

PHILIPPINE WHEAT FLOUR IMPORTS CONTINUE TO RISE

The increase in the Philippine Republic's imports of wheat flour which began in 1953 has continued into 1955. The total imported in the first quarter of this year was 46,100 metric tons, compared with 39,650 tons in the corresponding period of 1954, an increase of 16.3 percent.

The tonnage imported in calendar year 1954 was 12.5 percent higher than that of 1953. This increase followed a decline of 9.3 percent from 1951 to 1952. Wheat flour imports during each of these 4 years were as follows: 1951 - 216,134 tons, 1952 - 195,974 tons, 1953-166,986 tons, and 1954 - 187,797 tons. The 1950-54 average was 188,942 tons.

Since August 1, 1953, the International Wheat Agreement wheat quota of the Philippine Republic for the quota (August-July) year has been 236,000 metric tons, which is equivalent to about 170,000 tons flour. The Philippine wheat flour imports during the 12 months ending June 30, 1954, were 186,492 tons--16,942 tons above the IWA quota. (Prior to August 1, 1953 the quota was 196,000 tons wheat, equivalent to about 141,120 tons flour.)

The United States' share of Philippine wheat flour imports has been almost constant for several years. For the first quarter of 1955 it was 44.4 percent (20,453 tons) and in 1954 it was 42.7 percent (80,289 tons). The proportions for 1953 and 1952 were 44.6 and 43 percent, representing 74,460 and 84,269 tons, respectively. Practically all of the balance each year was supplied by Canada, expecting slight amounts from Australia in 3 of these periods (1 percent in 1952, .5 percent in 1954, and .9 percent in the first quarter of 1955).

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

Foreign Crops and Markets is distributed only upon a request basis. Should you find you have no need for this publication, please tear off the addressograph imprint with your name and address, pencil "drop" upon it, and send it to the Foreign Agricultural Service, Room 5918, U. S. Department of Agriculture, Washington 25, D. C.

Up to this year, Philippine wheat flour imports were subject to restrictions in the allocation of dollar exchange. Philippine bakers say that if there had been no such restrictions more flour would have been imported and consumed. On February 18, 1955, wheat flour importation was decontrolled insofar as allocations of dollar exchange are concerned. However, the last session of the Philippine Congress passed, and on June 18, 1955, the President approved, a measure which made wheat flour imports subject to the tax of 17 percent on the foreign exchange used. The measure is said to be solely for revenue purposes as there is no flour milling industry in the Philippines.

Because of these two actions and other factors, such as the recent increase in railroad freight rates in the Philippines and the possibility of the 17 percent exchange tax causing an increase in the retail price of bread, the future trend of wheat flour imports by the Republic of the Philippines is somewhat uncertain. However, trade sources report that during the second quarter of 1955, for which official figures are not yet available, flour imports continued at a high level. The Republic at the present time has no duty on imports of wheat flour from the United States, but it has a duty of 47 cents per 100 kilograms on imports from other countries.

PORTUGAL'S 1955-56 WHEAT IMPORT REQUIREMENTS 225,000 METRIC TONS

Portugal's 1955-56 (July-June) wheat requirements exceed its estimated 1955 production by 305,000 metric tons, but 80,000 tons of the deficit will be met by withdrawals from existing stocks, leaving 225,000 tons to be imported, according to despatches from the American Embassy at Lisbon. It is planned to import 135,000 tons in barter deals for corn, for which there are favorable production prospects in Portugal this year. This leaves 90,000 tons for importation in nonbarter trading.

Portugal's 1955-56 wheat requirements are placed at about 715,000 tons, consisting of 200,000 tons of 1955-crop wheat which the farmers will retain for their own use, and 515,000 tons required for nonfarm use. The 1955 crop was estimated at the beginning of August at only about 410,000 tons, as against the record production of 747,600 tons in 1954. Of the 1955 crop, only about 12,000 tons are spring wheat. The reduction in the 1955 crop is attributable mainly to excessive rains last fall and winter which postponed sowing of winter wheat for nearly a month and appreciably damaged the crop during the winter. The crop of 1934 was the second largest, that of 1935 the third, and that of 1953 fourth. The 1950-54 average was 634,118 tons.

June 30, 1955, stocks were relatively high, having been estimated at 167,700 tons compared with 121,664 tons on the same date a year earlier and 112,663 tons on June 30, 1953.

PAKISTAN RICE EXPORTS

Pakistan's rice exports of approximately 100,000 long tons (1 long ton = 2,240 pounds) from January through July 1955 were nearly half the quantity available for export in the calendar year. Of total exports, 94 percent, or 93,652 tons, was of the "Joshi" variety; and 5 percent, or 5,411 tons, the Kangni type. Other varieties exported were Basmati (fine long-grain) 626 tons; Parmal (long-grain, but shorter than Basmati) 110 tons; and Begmi (medium-grain) 200 tons.

The "Joshi" variety, the most important commercial type produced, is a coarse grain, usually marketed with large admixtures of broken grains. The "Kangni" is similar to "Joshi" with minor differences.

PAKISTAN: Rice exports, by country of destination, January-July, 1955

Country of destination	January-March	April	May	June	July	Total
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons
Aden	0	1,932	6,124	6,649	0	14,705
India	0	5,980	0	0	0	5,980
Ceylon	0	3,200	17,900	0	0	21,100
Union of South Africa	1,796	1,250	2,080	1,050	365	6,541
Saudi Arabia	0	0	3,049	50	2,900	5,999
Ethiopia	0	0	0	2,991	0	2,991
Portuguese India	564	629	1,379	4,284	2,472	9,328
Oman	148	15,661	100	2,678	300	18,887
Yugoslavia	0	0	0	0	7,999	7,999
Zanzibar	2,293	500	250	400	0	3,443
Other countries	396	762	350	716	802	3,026
Total	5,197	29,914	31,232	18,818	14,838	99,999

Rice stocks still available for export on August 1 amounted to 120,001 tons, of which the Joshi-Kangni varieties comprised 100,937 tons; Begmi, 9,800 tons, and the Parmal and Basmati varieties, 4,890 and 4,374 tons respectively.

The domestic retail prices of these varieties on August 12 were (in dollars per 100 pounds): Joshi-Kangni, $2.45; Basmati, $6.33, and Parmal $5.31. Pakistan in 1954 exported 137,760 tons (308,582,000 pounds) of rice.

RECORD RICE CROP EXPECTED IN JAPAN

Japan's 1955 rice production is forecast at 29,240 million pounds of rough rice, according to a press report. The previous record crop was in 1933, when 29,100 million pounds of rough rice was harvested. This first estimate of the 1955 rice crop is 4,250 million pounds of rough rice (1,300,000 metric tons milled) larger than the 1954 harvest.

JAPAN PURCHASES CHINESE RICE

The Japanese Food Agency on August 3 contracted to purchase 40,000 metric tons (1 metric ton = 2,204.6 pounds) of rice from communist China for delivery by October 31. The purchase was made with the understanding that offsetting purchases of ammonium sulphate and miscellaneous goods will take place within 9 months. The price was stated to be $168 per metric ton ($7.62 per 100 pounds) c. & f. for 20,000 tons of North China rice and $157.20 per ton ($7.13 per 100 pounds) c. & f. for 20,000 tons from Central China. All the rice is to be round, 15-percent broken, milled in bag.

This is the first purchase of rice from communist China by Japan during the current fiscal year (April-March). During the 1954-55 fiscal year, Japan took 81,000 tons of rice from communist China. The rice to be imported according to the August 3 purchase is similar to the California product and the price is below the $176.50 per metric ton ($8.00 per 100 pounds) which Japan is paying for California rice. The Food Agency also may accept an offer to purchase 10,000 tons of Manchurian rice if samples indicate the quality is acceptable.

GROWER PRICES FIXED FOR CERTIFIED GRASS SEED IN U. K.

Prices to growers for the 1955-crop certified Aberystwyth strains of grasses reflect the lower level prevailing in England this season compared with a year ago. Grade A (certificate) meeting the standard for germination and purity: Perennial Ryegrass - S 23 - 28¢, S 24 - 17½¢, and S 101 - 26¢. Italian Ryegrass - S 22 - 21¢. Orchardgrass - S 26 - 21¢, S 37 - 21¢, and S 143 - 22¢. Meadow Fescue - S 53 - 16¢ and S 215 - 17½¢. Red fescue - S 59 - $3.64.

Grade B (certificate) prices are 2½ percent lower. Qualities below Grades A and B are 7½ percent below Grade A prices.

IRELAND DISCONTINUES
TOBACCO CULTIVATION

Commercial production of tobacco has been discontinued in Ireland: none was grown in 1955.

Discontinuance of commercial tobacco production marks the end of a 20 year promotional effort initiated by the Department of Agriculture under the Tobacco Act of 1934. Under the Act, producers were paid a percentage bonus for their crop in addition to the price they received from rehandlers.

Commercial production of tobacco, used mostly in blending of heavy pipe tobaccos, has been terminated because the only 2 rehandlers in Ireland, who were also growers, decided to discontinue that part of their business. To make rehandling profitable, the rehandlers claim it is necessary to handle at least 100,000 pounds a year. Production during 1953 and 1954 amounted to only 2,884 and 5,900 pounds, respectively.

GREECE CONTINUES FLUE-CURED PRODUCTION
FOR EXPORT ONLY

During 1954 the Greek Government permitted on a trial basis the cultivation of 400 stremma (about 100 acres) of Virginia-type tobacco, provided it was flue-cured and the entire crop was for export. Production during 1954 totaled about 170,000 pounds.

The Government during 1955 granted permission for the cultivation of 1,000 stremma (about 250 acres) of flue-cured tobacco. Officials of the Hellenic Tobacco Board do not believe that the full authorized acreage was planted because of the stipulation that all of the tobacco must be exported. Flue-cured production in Thrace and Macedonia is prohibited.

BELGIAN TOBACCO USINGS
CONTINUE SLIGHT DECLINE

Total factory usings of unmanufactured tobacco in Belgium continued its gradual downward trend, evident since 1950, during the first half of 1955. Usings in the production of cigarillos continued upward, whereas usings in the output of smoking mixtures, chewing tobacco, and snuff continued to decline. Leaf used in output of cigarettes during the first half of 1955 declined 1.1 percent from the comparable level in 1954. The decline in cigarette output, as indicated by leaf used, occured during the second quarter of 1955, as the first quarter was 2.4 percent above the comparable period in 1954. Usings in the output of smoking mixtures declined 2.3 percent from the first 6 months of 1954, but still comprised about 43 percent of the total usings of unmanufactured tobacco. Leaf used in the output of smoking mixtures exceeded that used for cigarettes prior to 1954.

PORTUGAL TOBACCO
IMPORTS DOWN SLIGHTLY

Portugal's imports of unmanufactured tobacco during January-March 1955 totaled 2.4 million pounds--down 2.1 percent from the 2.5 million pounds imported during the corresponding period in 1954.

Portugal: Imports of unmanufactured tobacco
during January-March 1954-55

Country of Origin	January - March 1954	January - March 1955
	1,000 pounds	1,000 pounds
Angola	212	161
Mozambique	21	37
United States	1,765	1,724
Cuba	14	1/
Federation of Rhodesia & Nyasaland	46	75
Brazil	43	1/
Greece	293	366
India	14	1/
Italy	31	49
Algeria	43	1/
Other	19	35
Total	2,501	2,447

1/ If any, included in other.

Source: Boletin Mensal do Instituto Nacional de Estatistica, March 1955.

Imports of United States leaf have continued to decline slowly in both volume and as a percentage of total imports since 1953. United States leaf represented 73.5 percent of the total imports during 1953 as compared with 70.4 percent during first quarter 1955. The decline in imports of United States leaf can be attributed to ample stocks and to the gradual decline in usings of United States leaf evident since 1948. Imports from the Federation of Rhodesia and Nyasaland, Greece, and Italy were stepped up; while takings from Mozambique, Cuba, Brazil, India, and Algeria declined from the corresponding quarter in 1954.

- - - - - - - -

BRITISH GUIANA INCREASES
DAIRY IMPORTS IN 1954

British Guiana, the British colonial neighbor of Venezuela, increased its imports of dairy products in 1954 by one-third over receipts during 1953. On a weight basis, according to the British Guiana Commercial Review, imports during 1954 totaled 8.5 million pounds compared with just under 6.4 million pounds in the year previous.

Butter imports showed the greatest increase, jumping from 460,000 pounds in 1953 to 872,000 in 1954. The butter was purchased, on the basis of c.i.f. customs declarations for tax purposes, at an average price of 48.7 cents a pound in both years. The largest suppliers of butter were the Commonwealth countries which are given preferential treatment on duties; these countries supplied 860,500 pounds of all butter received in 1954, with United Kingdom exports to the colony amounting to 65,000 pounds. United States' exports were only token at a price of 75 cents per pound.

Imports of cheese at 730,000 pounds were 10 percent above 1953. The shipments were fairly well divided between preferential and non-preferential suppliers. Cheese from New Zealand and Australia brought a 30.2-cent price, while the nonpreferential countries charged about 33 cents a pound on the average. The United States exported only 55 pounds to the colony during 1954 at a price of 45.5 cents a pound.

Condensed milk imports during 1954 amounted to more than 3.8 million pounds compared with 3.3 million pounds in 1953. The average price for 1954 was a reported 14.6 cents a pound compared with 16.4 cents in 1953. The United Kingdom supplied 620,000 pounds of the 1954 imports at 16.7 cents a pound while the remainder came from other-than-Commonwealth suppliers at about 14.2 cents; Canada shipped 454,000 pounds at a 15.4-cent-per-pound average price.

More than a 50-percent increase was registered in evaporated milk imports with takings amounting to 2 million pounds. The average price paid on a c.i.f. basis during 1954 was 13.5 cents compared with 15.1 cents in 1953. Almost the entire imports came from nonpreferential countries. Canadian exports to the colony were 41,000 pounds of evaporated milk at 14.6 cents.

Over 1 million pounds of milk powder was imported during 1954 compared with 627,000 pounds during 1953. The United States supplied more than half the powder with more than 525,000 pounds being nonfat dry milk solids.

Duty rates on evaporated milk, dried whole milk, and nonfat dry milk solids at 0.7 cents, 1.8 cents, and 0.6 cents a pound, respectively, for nonpreferential countries are just double the rate levied on imports of these products from preferential nations. The preferential rate on condensed milk is 1.4 cents per pound compared with a 4.1-cent-per-pound levy for other condensed milk suppliers. Butter and cheese have a 2.4-cent-per-pound preferential rate, with a 4.6-cent nonpreferential duty.

World Butter and Cheese Prices

DAIRY PRODUCTS: Wholesale prices at specified markets with comparisons
(U. S. cents per pound)

Country, market and description	Butter				Cheese			
	Date 1955	Price	Quotations: Month earlier	Quotations: Year earlier	Date 1955	Price	Quotations: Month earler	Quotations: Year earlier
United Kingdom (London)								
New Zealand Finest Grade	Aug. 4	40.6	42.6	48.8	-	-	-	-
New Zealand Finest White	-	-	-	-	Aug. 4	22.9	22.0	22.5
Australia (Sydney)								
Choicest butter	July 27	45.3	41.8	41.8	-	-	-	-
Choicest cheddar	-	-	-	-	July 27	27.5	25.7	25.7
Irish Republic (Dublin)								
Creamery butter	Aug. 2	48.7	48.7	54.7	-	-	-	-
Cheese	-	-	-	-	Aug. 2	30.7	30.7	30.7
Denmark (Copenhagen)	July 21	41.8	41.8	42.1	-	-	-	-
France (Paris)								
Charantes Creamery butter	July 26	64.2	64.8	66.1	-	-	-	-
Germany (Krempten)								
Markenbutter	July 27	63.8	63.3	60.0	-	-	-	-
United States								
92-score creamery (N.Y.)	Aug. 5	58.0	57.8	57.9	-	-	-	-
Cheddar (Wisconsin)	-	-	-	-	Aug. 5	31.2	31.2	32.0
Netherlands								
Creamery butter	July 30	48.6	48.6	46.0	-	-	-	-
Full Cream Gouda	-	-	-	-	July 22	22.9	23.3	22.2
Edam 40 percent	-	-	-	-	July 22	21.4	21.8	19.8
Belgium (Hasselt)	July 28	72.5	69.0	69.3	-	-	-	-
Canada (Montreal)								
1st grade creamery	July 23	58.3	57.4	59.6	-	-	-	-
Ontario white	-	-	-	-	July 23	29.4	29.4	30.8

Source: Intelligence Bulletin, The Commonwealth Economic Committee. U. S. Consular Reports and the Dairy Division, Agricultural Marketing Service, United States Department of Agriculture.

PRODUCERS REQUEST PROTECTION
FOR CHILEAN DRY MILK INDUSTRY

Prompted by requests from producers, the Chilean Ministry of Agriculture has pointed out the need for modification of the milk development plan. In a discussion with the legislative branch the Ministry suggested that to assure no prejudice to the domestic milk industry the following points be considered: (1) Imported milk should be used exclusively by the National Health Service; (2) that the National Health Service give preference to nonfat dry milk solids of Chilean origin; (3) imported dry milk solids used by milk stations hould be confined to periods of milk shortages and such use should be fixed under quotas by the Ministry; and (4) imported dry milk should be sold commercially at prices and quality bases similar to those for domestic milk.

ITALY REVISES CHEESE DUTIES UPWARD

The Italian Council of Ministers has approved an order revising upward tariff rates on 4 of the 7 customs classifications of cheese; the increases range, on an ad valorem basis, from 5 percent for Soft Cheese types to 14 percent on Danish Cheese.

One of the reasons given for the increases is the mounting volume of imports by Italy, a cheese-producing nation. In 1954 Italy imported 51.5 million pounds of cheese as compared with exports of 37.7 million; exports in 1953 were 37.6 million pounds and imports 47.7. Furthermore, producers have complained that export subsidies of other continental countries, particularly France, have tended to deny Italian exporters opportunities in third-country markets. (See Foreign Crops and Markets for June 20 and April 18, 1955.)

The customs changes entailed the cancellation of 4 temporary rates and 1 conventional rate (GATT) and reversion to the General Ratelevy. This is the first use made of the General rate. When the General Rates were established several years ago it was felt that they were too high in most cases and the Temporary Rates were prepared at fractional steps of the General Rates; these temporary rates were subject to immediate revision or cancellation. The Conventional Rates, lower than the Temporary Rates, were negotiated rates, primarily GATT.

The Temporary Rate on Soft Cheeses at 15 percent was cancelled and the General Rate of 20 percent invoked. The Temporary Rates of 15 percent for the hard and semi-hard types and the Processed Cheeses, both at 15 percent ad valorem, were abrogated and the General Rate of 25 percent restored. The Conventional (GATT) rate of 11 percent on Danish Cheeses was rescinded and the 25 percent General Rate invoked. No changes were made on the Conventional Rates for Vacherin a Toto de Moine and the Swiss type cheeses at 10 percent or the Swiss cheeses in cans or processed with ham or herbs at 11 percent.

The revisions took advantage of the "escape clause" of GATT in only the Danish cheese changes. This revision brought an immediate reaction from Denmark. Mr. J. O. Krag, Minister of Economy and Labor in the Danish Government, referred to Italy's action as being in clear conflict with GATT provisions. He further stated that with the Italian Government's refusal to suspend operations on the increase on Danish cheese, the Danish Government would seek to obtain "compensation" for Danish interests affected. Mr. Krag observed that Italy's action seemed particularly unreasonable since Danish cheese is priced higher in the Italian market than is Italian cheese. Danish cheese exports to Italy declined from 25 million pounds in 1953 to just under 9 million pounds in 1954.

BOLIVIAN TRADE DATA CONFIRMS DECLINE IN IMPORTS OF U. S. MILK PRODUCTS

Recently released import statistics for 1954 by the Bolivian Government in its Direccion General de Estadistica confirms the fact that the United States has been losing the processed milk market of Bolivia.

Dutch and Danish milk products have been taking an increasingly heavy share of the Bolivian markets. (See Foreign Crops and Markets, February 21, 1955) With the Ministry of Economy the sole importer of processed milk items, Dutch and Danish firms have generally underbid the United States. In 1952 the United States had almost 63 percent of the \$1.8 million processed milk market, but in 1954 the United States' share was only 18 percent in a Bolivian import market valued at \$1.7 million.

In 1954 Bolivia reported receipts of approximately 5.1 million pounds of dry milk at an average price of 21.1 cents per pound; of this amount about 2.2 million pounds were reported as having come from the United States. However, most of these shipments were relief shipments from government stocks. In 1954 only an estimated 3,000 pounds of nonfat dry milk solids was exported commercially from the United States to Bolivia, and 1,000 pounds of dry whole milk. In 1952 the United States shipped more than 1 million pounds of dry whole milk to Bolivia.

While the statistics do not make the distinction between nonfat and dry whole milk powder, it is believed that most of the shipments from The Netherlands and Denmark were dry whole milk. The 1.6 million pounds received from The Netherlands had a landed value of 24.5 cents per pound, while the 1.3 million pounds from Denmark brought 30.8 cents a pound on the average.

Bolivian receipts of canned milk products totaled 5.1 million pounds in 1954. Of this amount only 21,000 pounds, all evaporated, was reported from the United States at an average price of 16 cents per pound. The Netherlands was the big supplier, with shipments amounting to more than 2.5 million pounds -- for which an average of 9.8 cents was reported received. Danish milk shipments amounted to 2.1 million pounds during the year and were valued on the average at 14.4 cents per pound. The Republic of Germany also was a fairly large supplier, providing 454,000 pounds at 16-cents-a-pound average. (Cont'd. next page.)

Canada formerly was also a large exporter of processed milk products to Bolivia. However, its shipments during 1954 were practically negligible; only 15 pounds of powdered milk was sent to Bolivia from Canada and 53 pounds of canned milk.

DOMINICAN REPUBLIC ABOLISHES ALL IMPORT CHARGES ON POULTRY FEEDS

The following is the text of Dominican Republic Law No. 4209 promulgated July 22, 1955: "Imports of feed materials and natural or prepared feeds will be exempt from all taxes, duties, and charges when they are imported, especially for feeding chickens and other types of poultry, when it is in the judgement of the Secretary of State for Agriculture and Water Resources".

Shipments of poultry feeds from the United States have already entered the country under provisions of this law.

CUBA: CHANGE IN SHELL EGG IMPORT DUTY

Effective August 17, 1955, through November, the import duty in Cuba on eggs will be 5 cents per dozen. The duty will be 6 cents per dozen during December 1955. These rates of duty apply only to eggs imported from the United States. The eggs must have a net weight of 18 ounces or more per dozen. In addition to the duty, there is a 2-percent consular fee and a 6-percent sales tax on egg imports. For example, eggs delivered to Havana, Cuba, for 45 cents per dozen, which includes the consular fee of 1 cent, would be charged an import duty of 5 cents and 3 cents sales tax, making a total duty paid value of 53 cents. This amounts to a 20-percent ad valorem rate.

Cuba's regular duty for eggs is 20 cents per dozen plus the additional fee and tax already mentioned. In recent years, however, in an effort to forestall a seasonal shortage of fresh eggs during the summer and fall months, the Cuban Government has removed the tariff and consular fee -- usually in July. The tariff and fee are usually reimposed in December or January when Cuban egg production increases.

Since early 1954 there has been considerable interest shown by Cuban hatcherymen and feed dealers in developing the commercial production of market eggs. It is believed that the decision to impose a 5-cent-per-dozen duty during the summer and fall months this year may have been made to at least partially protect those producers who are beginning to build up their laying flocks.

NEW ANIMAL BYPRODUCT INSPECTION SERVICE OFFERED BY USDA

A new inedible animal byproduct inspection and certification service has been established by the USDA to facilitate the marketing of byproducts abroad and interstate.

Laws, regulations, or other requirements of foreign countries and specifications of contracts for the purchase and sale of animal byproducts on occasion require vendors to furnish official certificates concerning the class, quality, quantity, or condition of such byproducts to be imported into those countries.

Purpose of the USDA's new voluntary service is to provide sellers or exporters with an official certification when required.

According to regulations promulgated in the Federal Register of July 23, the service will consist of the inspection of the processing, handling, and storage of byproducts at any plant at which service is furnished and the certification of byproducts according to requirements or specifications. The regulations state that "the inspector shall actually observe the processing procedures, handling, and storage of the byproducts intended for certification."

The Inspection and Quarantine Branch of the Agriculture Research Service will administer the work. In the case of federally inspected plants, federal inspectors will carry on the inspections and issue the necessary certificates, with the exporter reimbursing MIB for the time involved in inspection of the product. In the case of non-federally inspected plants, veterinarians in the area will be designated to do the inspection work and to issue the certificates.

Any person who is eligible under a cooperative agreement to receive service may apply to the chief of the Animal Inspection and Quarantine Branch, Agricultural Research Service, U. S. Department of Agriculture, Washington 25, D. C., upon an application form which will be furnished by the chief of the Branch on request.

COLOMBIA ENCOURAGES CATTLE PRODUCTION

Announcement was made on June 24 of a 500,000 pesos (equivalent to $200,000) loan made by the National Stabilization Fund to the Bolivar Livestock Fund (Fondo Ganadero de Bolivar). The loan will be for a 5-year period at 6-percent interest. The provincial government has provided a guarantee in the form of first call on revenue realized from liquor import taxes. In addition, 1,400 shares in the Hotel Caribe S. A. and 1,800 shares in the Banco Popular were posted as collateral for the loan by the departmental Secretario de Hacienda. The livestock fund will advance money to cattlemen, taking title to the cattle in return. The livestock will remain with the raiser, and the loan will be repaid at the time of sale. In lieu of interest, 35 percent of any sales profit will go to the fund.

DANISH MEAT PRODUCTION UP 1/

During the second quarter of 1955, the output of Danish meat was 7 percent above the same period of 1954. In 1954, production in the second quarter was greater than in the first, while the reverse was true this year. This development was not unexpected, as the peak in livestock numbers was reached in mid-1954.

The larger production of meat during the second quarter of 1955 was due to a greater output of pork, and beef and veal, which were 8 and 7 percent larger, respectively. The output of mutton and lamb declined. The latter items, however, were of minor significance when related to total production.

Larger output of beef and veal was principally due to an increased number of fattened calves. Veal production increased during recent months as farmers have been able to obtain a greater profit by raising calves to a size of about 440 pounds instead of marketing them immediately after birth. The larger output of pork was the direct result of an increase in hog numbers during 1954.

During the third quarter of 1955, it is expected that the output of pork will decline following the drop in farrowings during the second half of 1954. Beef production may be rather sizeable in the third quarter as lack of grass and pasture may force marketing of cattle. Sales of cattle at present to slaughterhouses are reported to be larger than normal.

Export of Live Animals and Meat Increased 15 Percent

During the first half of 1955 exports of live animals, meat, and meat products were equivalent to $180 million, compared with $156 million during the comparable period of 1954. This increase in the export value was due principally to larger volume, as prices have remained relatively unchanged.

Exports of live animals during the first half of 1955 amounted to $45 million, or $9.5 million more than during the comparable period of 1954. This increase was mainly due to increased exports of live cattle for slaughter, practically all to West Germany. Although of minor importance, the export of breeding cattle rose from $150,000 to $363,000, a result of Danish efforts to expand markets for breeding cattle.

Exports of meat and meat products rose from the equivalent of $132 million to $147 million. This increase was due primarily to increased exports of Wiltshire sides to the United Kingdom and an increase in shipments of fresh pork, mainly to France and Italy. Exports of fresh beef and veal declined somewhat. Exports of beef and veal to Russia during the first half of 1955 were only one-fifth as large as those during the comparable period of 1954, when Russia took between 35 to 40 percent of the exports of these commodities. Exports to West Germany, Sweden, and Italy this year were substantially larger than in 1954.

\- - - - - -

1/ All monetary values expressed in equivalent U.S. dollars.

Trade with East Germany

At the end of July, Danish papers announced that 2 barter transactions have been signed with East Germany. Under one agreement Denmark will supply meat at a value of $710,000, butter $450,000, and lard $66,000 in exchange for coal.

The second agreement includes imports of potash from East Germany and Danish exports of agricultural products amounting to $2,750,000. Danish exports are to be made up of lard $350,000, butter $800,000, meat $900,000, cheese $50,700, seed $101,000, and malt $246,000.

Danish-British Bacon Negotiations 1955-56

On July 5 the Danish-British bacon negotiations for 1955-56 under the long-term agreement were initiated in Copenhagen. Negotiations were resumed in London on August 2. The discussions there again centered around prices to be paid under the contract.

According to meat industry estimates, commercial hog slaughter in Denmark during 1955 will total 7.2 to 7.3 million head compared with 6.9 million during 1954. Danish exporters are of the opinion that commercial slaughterings during the first half of 1956 may be roughly 20 percent lower than during the comparable period of 1955. Hog numbers on farms during the coming months is expected to decline in accordance with the recent drop in farrowings.

COSTA RICA EXPORTS CATTLE

In the period July 1, 1954--June 30, 1955, Costa Rica exported cattle for the first time. Exports totaled 7,048 head of beef cattle, of which 5,749 went to Colombia, 999 to Peru, and 300 to the Netherlands West Indies.

Difficulties in guaranteeing adherence to established sanitary standards have thus far prevented exports to the United States. Efforts to solve the problem are now being pushed.

USDA ANNOUNCES PURCHASE OF CARCASS BEEF FOR GREECE

The U. S. Department of Agriculture on August 25 announced the purchase of 548,000 pounds of frozen carcass beef at an average price of 26.53 cents a pound, delivered to the Port of Philadelphia, for export to Greece under an International Cooperation Administration program.

The beef will be of U.S. Utility grade and will be shipped about the middle of September.

MARKET FOR FROZEN SEMEN IN COLOMBIA

The Government of Colombia believes strongly that artificial insemination will play an important role in building up and improving the country's dairy industry. Most of the breeders are also enthusiastic about the possibilities.

There are presently 2 artificial insemination programs in Colombia. The first is a Ministry of Agriculture program, which is carried on entirely at government expense. The ministry has about 20 bulls in service at the Tibaitata Experiment Station. Semen is shipped regularly by air to inseminators located in each of the country's major livestock regions.

The second is a commercial venture that is just getting underway. A Colombian Company has been organized and has contracted to obtain frozen semen from an Iowa Association. The inseminators are Colombians who have recently returned from a training course in the United States. There will be a charge for the service, but the amount has not yet been definitely determined. The first regular shipment of semen is expected in Bogota within a few days. Dry ice is being manufactured at Medellin and Ipiales, apparently in sufficient quantities to supply present demand.

Before very long, this company hopes to be serving 2 to 3 thousand cows per month; and it hopes eventually to be able to offer the service to beef cattle breeders.

- - - - - -

FRENCH MOROCCO PRODUCTION OF ALFA DECREASING; CRIN VEGETAL CONSTANT IN 1954

Production of alfa, or esparto grass, in the French zone of Morocco was about 110 million pounds in 1954 compared with more than 143 million pounds in 1953. The downward trend was expected to be even more pronounced in 1955 with production possibly around 50 million pounds.

Exports of alfa during calendar year 1954 totalled 142 million pounds, with 122 million shipped to the United Kingdom and 14 million to France. Exports in 1953 totalled about 89 million pounds.

Crin vegetal production was estimated at more than 176 million pounds in each of the past 2 years. Exports of crin vegetal were reported at 170 million pounds in 1954, and at 159 million in 1953. In 1954, 24 million pounds were exported to France, 9 million to the French Union, 3 million to the United Kingdom, 1.4 million to the United States, and a total of 125 million to the European Payment Union countries of Germany, Italy, Sweden, Austria, Norway, and The Netherlands.

PROCESSING CHERRIES--FRANCE

In France the bigarreaux variety of sweet cherries is practically the only variety used by the processing industry. Processing companies are equipped to handle, in addition to cherries, all kinds of fruits as well as certain melons.

The yield of bigarreaux cherries constitutes only a small portion of the total production of sweet cherries in France. The Vaucluse Department in southern France is the leading production center.

The production of bigarreaux cherries is as follows 1/:

Year	Short Tons
1954	13,800
1955	14,330 (preliminary)

1/ Estimates from trade sources.

Practically all of these cherries were used in the production of glacé cherries. An additional 3,800 to 4,400 tons of cherries were imported from Italy and processed into the French type Maraschino and canned cherries.

The 1954 (June - December) glacé cherry exports to specified countries were as follows:

Country of Destination	Short Tons
United States	1,323
Canada	331
United Kingdom	7,495
Other	551
Total	9,700

An increase in acreage sprayed in 1955 to control the cherry fly is attributable to a 2-cent-a-pound premium offered by processors for cherries with not more than 2 percent wormy fruit. About 25 percent of the cherries were from trees that were sprayed.

Processors paid 6 to 8 cents per pound to growers, plus the premium for sprayed fruit. Wholesale prices for glacé cherries at the factory ranged from 24 to 26 cents per pound.

Glacé cherries shipped to the United States contain 45 to 50 percent sugar, of which half is cane or beet sugar and half is corn syrup to keep the sugar from crystallizing. In the United States most of the glacé cherries from France are purchased by manufacturers who further process the fruit before selling it to baking, confectionery, and other industries.

U.S. INCREASES SHARE OF COTTON IMPORTS IN 10 OF 12 SPECIFIED COUNTRIES

Moderate increases over last year are shown for the United States' share of cotton imports in 10 out of 12 of the major cotton importing countries listed on the opposite page. The heavy imports of United States cotton during the first half of the season more than offset the decline in recent months. Reporting periods vary from 8 to 12 months of the August-July 1954-55 marketing year, with comparable periods for the previous year.

Salient changes in the United States' share of these cotton markets were as follows: Canada (10 months) increase from 83 to 93 percent; Spain (11 months) increase from 53 to 58 percent; Italy (9 months) increase from 33 to 40 percent; the United Kingdom (10 months) increase from 22 to 37 percent; and the Republic of Germany (10 months) increase from 29 to 34 percent. Other countries showing an increase in imports from the United States were Japan, The Netherlands, Switzerland, Hong Kong, and India.

The decreases shown in the United States' share of cotton imports were: Belgium (11 months) decrease from 22 to 20 percent; and France (12 months) decrease from 35 to 33 percent.

See table, opposite page.

SLIGHT INCREASE IN SWEDEN'S COTTON IMPORTS

Sweden's cotton imports during the first 10 months (August-May) of the 1954-55 marketing year amounted to 120,000 bales (500 pounds gross), an 8-percent increase over the 111,000 bales imported in the corresponding period of 1953-54. Imports from the United States also increased, amounting to 49,000 bales or 41 percent of the total in the period under review, as compared with 38,000 bales or 34 percent of the total a year earlier.

Other major sources of Sweden's cotton imports in August-May 1954-55, with comparable figures for 1953-54 in parentheses, were as follows: Mexico 19,000 bales (9,000); U.S.S.R. 12,000 (0); Brazil 10,000 (19,000); and Pakistan 4,000 (12,000).

Mill stocks increased slightly during recent months, amounting to 108,000 bales on April 30, 1955, as compared with 105,000 on January 1, 1955, and 103,000 on August 1, 1954. There was no significant change in mill consumption, which amounted to 45,000 bales for the 4-month period, January-April 1955. This was approximately the same rate as during the marketing year 1953-54, when consumption for the entire year amounted to 135,000 bales.

A provisional increase on July 10, 1955, in the customs duty on imported textile products from 5 to 6 percent of the value, to about 12 percent, may tend to reduce future imports of textiles, and thereby step up the demand for imports of cotton.

COTTON: Share of United States and other supplying countries in specified import markets

(Equivalent bales of 500 pounds gross)

Importing Country	Reporting period 1954-55	Supplying country	Quantity imported: Previous year's period	Quantity imported: Current year's period	Supplying countries share of market: Previous year's period	Supplying countries share of market: Current year's period
			1,000 bales	1,000 bales	Percent	Percent
Belgium.......	Aug.-June	United States	97	85	22	20
		Mexico	54	80	12	19
		Belgian Congo	68	66	16	16
		Total 1/	436	422		
France........	Aug.-July	United States	480	447	35	33
		Egypt	246	170	18	12
		Total 1/	1,383	1,372		
Germany.......	Aug.-May	United States	317	357	29	34
		Brazil	189	166	17	16
		Mexico	86	131	8	12
		Total 1/	1,112	1,051		
Italy.........	Aug.-April	United States	178	197	33	40
		Brazil	62	67	11	14
		Total 1/	545	491		
Netherlands...	Aug.-April	United States	65	85	25	30
		Mexico	73	94	28	34
		Total 1/	260	279		
Spain.........	Aug.-June	United States	150	147	53	58
		Brazil	45	66	16	26
		Total 1/	282	255		
Switzerland...	Aug.-June	United States	28	52	17	32
		Egypt	66	36	39	22
		Total 1/	168	163		
United Kingdom	Aug.-May	United States	328	493	22	37
		Brazil	185	120	13	9
		Total 1/	1,464	1,320		
Canada........	Aug.-May	United States	189	277	83	93
		Total 1/	229	297		
Hong Kong......	Aug.-May	United States	2	9	1	5
		Brazil	64	54	35	29
		Pakistan	93	58	50	31
		Total 1/	185	188		
India.........	Aug.-Mar	United States	24	79	9	30
		Br. East Africa	55	82	20	31
		Egypt	154	77	57	30
		Total 1/	272	261		
Japan.........	Aug.-May	United States	736	651	36	38
		Mexico	442	436	22	25
		Total 1/	2,040	1,716		

1/ Includes imports from sources not listed.

LARGE WHEAT CROP FORECAST FOR NORTHERN HEMISPHERE

The 1955 wheat crop in the Northern Hemisphere will be somewhat larger than the 1954 outturn and appears likely to be a near-record harvest. The Northern Hemisphere normally accounts for more than 90 percent of world wheat production.

Present estimates indicate an increase of about 10 percent over the 1954 crop in North America because of better prospects for Canada. That increase, together with a net increase for Asia and a probable increase in the Soviet Union, more than offsets a decline in Africa's production. Conditions vary widely in western Europe, with declines in some areas--especially the Iberian Peninsula and in Scandinavia--offsetting substantial increases in some other areas, notably Italy. On the basis of incomplete information it appears that the total for western Europe will not be significantly changed from the large crop of 1954 and the quality of the grain is better. Prospects for eastern Europe, however, appear somewhat better than the poor outturn there a year ago, unless substantial harvest losses should result from heavy rains in many areas at harvesttime.

In North America the feature of the present situation is the favorable outlook for the Canadian crop, which much more than offsets the smaller United States harvest. A reduction of 59 million bushels from last year's United States harvest results from the sharp cut in acreage. Yields are high, averaging 19.2 bushels per acre for all wheat. This is the second highest average yield on record for this country. The present production estimate is 6 percent below the 1954 crop and 21 percent less than the 1944-53 average.

In Canada, in contrast, a crop of about 500 million bushels is now expected, on the basis of official estimates. That would be 67 percent above the very small outturn of a year ago, but still considerably below the large crops of the 2 previous years. Reduced acreage accounts for the decline, the reported acreage of 21.5 million acres being the smallest seeded since 1943. It was 12 percent below the area harvested in 1954 and 25 percent below the record acreage in 1940. Yield prospects were good to excellent in most areas at latest report.

The outlook for the wheat crop in western Europe, including Yugoslavia, varies considerably with present indications pointing to the total for the area showing little change from the 1954 total. Best conditions are reported for Italy, France, Western Germany, and Yugoslavia, while substantial reductions from the 1954 level are reported for Spain, Portugal, the United Kingdom, and Scandinavia.

The outturn in Italy is unofficially placed at about 325 million bushels, compared with some 265 million harvested in 1954. A crop of that size would be the second largest of the postwar period. Less favorable conditions in southern areas of the country are offset by excellent conditions in northern areas. Though it is too early for an accurate estimate of the harvest in France, the Ministry of Agriculture in July expected that the crop would reach 385 million bushels. If achieved, this would approximate the all-time record crop of 1954. The quality of the wheat is expected to be much higher, with the moisture content lower than that of the 1954 harvest.

The wheat crop in Western Germany is estimated larger than in 1954 and on the basis of preliminary trade reports will be up to or may even exceed the large outturn of 1952. The acreage is large and good yields are in prospect.

Yield prospects in Spain are considerably less favorable than in 1954, and latest trade estimates range only as high as 145 million bushels, compared with an estimate of 180 million bushels for 1954. Production is also sharply reduced in Portugal, where latest estimates place the current wheat crop at about 15 million bushels compared with the 1954 production of 27.5 million.

Wheat production in Greece is expected to be the second largest of that country's history. Unofficial estimates of about 50 million bushels would be second only to the record 1953 harvest. Less favorable conditions than in 1954 are reported for Scandinavia, especially because of reduced prospects for Sweden. That country's harvest is now forecast at 27 million bushels compared with 37.5 million in 1954. Sharply reduced acreage and smaller yields each contributed to the reduction.

The wheat harvest in the United Kingdom is tentatively estimated at about 86 million bushels, a reduction of 17 percent from the large crop harvested last year. Unfavorable weather for fall seeding curtailed acreage of winter wheat to about half that of the previous year. Unfavorable seeding conditions in the spring prevented making up the arrears, and total wheat acreage is about 500,000 acreage less than for 1954. Above-average yields are expected for all grains.

The condition of the wheat crop in Yugoslavia is described as good with the grain healthy and vigorous. No official estimate of production is yet available, but private estimate place the outturn considerably above the poor 1954 harvest, though under the comperatively large 1953 production. Conditions in other Danube Basin and Central European countries also appear to be better than in the poor 1954 season, though heavy rains have interfered with harvesting in many areas. Unless damage from that source should be heavier than is now indicated, a larger outturn than in 1954 seems assured for the area. (Cont'd., next page.)

Preliminary information from the Soviet Union points to a larger wheat harvest this season. Better yields are reported for the winter wheat belts of the Ukraine and northern Caucasus, where a serious drought reduced yields last year. A drought this year reduced yields in the spring wheat belt beyond the Urals, but a considerable expansion of acreage on virgin land in this area is an offsetting factor. An expansion of 27 million acres of spring wheat was reported, largely in the low-yielding areas.

The wheat crop in Asia is expected to exceed the large production of 1954 since most of the important producing countries have better crops than in 1954. Substantial increases in those countries offset declines in a few others. The largest increase is estimated for Turkey, where the crop last year was the smallest since 1950. Production this season promises to be considerably above the low level of a year ago, though not up to the record harvest of 1953. A substantial increase is also reported for India, one of the largest producers of the area. The increase is attributed to larger acreage. Pakistan's wheat harvest shows a decline from the large 1954 harvest. Acreage is reported at the same level, but yields were smaller than in 1954. Japan's outturn is also less than the large 1954 production, but is still above average.

Africa's total wheat production is somewhat smaller than it was last year, with reduced outturns reported for all important producers of the area. The greatest reduction is reported for French Morocco where the harvest is reported about a fourth less than the record production of a year ago. Though smaller than that record figure, it is still well above average. In Egypt, also, the current crop is less than the 1954 record though only about 8 percent below that high level. Reduced acreage accounts for the decline, with yields up to those of last year. Though less than the large crops of the past 2 years, the current outturn is sharply above average. Increased acreage in Algeria held production near the 1954 record harvest. Production in Tunisia is smaller mainly because of sharply reduced acreage.

\- - - - - -

PAKISTAN ANNOUNCES PLANT QUARANTINE REGULATIONS AFFECTING AMERICAN COTTON

The Government of Pakistan announced on July 13, 1955, that henceforth, vessels carrying American cotton may not enter the territorial waters of Pakistan without written permission from the Director of Plant Protection, Government of Pakistan, Karachi. Such permission is to be applied for at least 14 days before the expected arrival of the vessel.

Officials stated that permission must be obtained for any vessel carrying American cotton into the territorial waters of Pakistan, regardless of whether any part of such cotton is to be discharged in Pakistan.

FIELD SEEDS SUPPLY AND DISTRIBUTION PICTURE IN U. K. REVERSED FROM '53-'54

Although demand for grass and legume seeds in the United Kingdom was unprecedented in 1954-55, carryover, plus one of the most favorable harvest seasons in 20 years, greatly reduces import requirements for the current season.

The preliminary United Kingdom import program does not list an item from the United States, and only a few items from Canada. Imports from Canada are to include alsike and Altaswede clovers, alsike and white clover mixture, creeping red fescue, and alfalfa.

United Kingdom production of grass and legume seeds last season was a little more than 33 million pounds, and carryover (June 1, 1954) was a little under 16 million pounds. The rough total of 49 million pounds was 80 percent of estimated disappearance. Imports of 41 million pounds were needed to fill planters' needs and to provide carryover into the 1955-56 season. (See supply and distribution table, next page. Text continues, p. 275.)

United Kingdom Commercial Stocks of Field Seeds, June 1, 1955, with Comparisons

Kind of Seed	6-1-55	6-1-54	6-1-53
	1,000 pounds	1,000 pounds	1,000 pounds
Ryegrass, Perennial	6,955	4,825	21,565
Ryegrass, Italian	2,992	2,200	5,842
Ryegrass, other	1,392	674	1,451
Orchard grass	2,463	2,296	4,271
Timothy	1,554	996	1,083
Bluegrass, Danish	277	67	192
Bluegrass, Kentucky	40	4	12
Fescue, Meadow	616	93	577
Fescue, Tall	139	126	37
Fescue, Creeping Red	416	187	369
Fescue, Chewing	542	270	276
Fescue, other	304	276	254
Trefoil	308	238	1,247
Clover, Red	3,179	1,329	2,129
Clover, Alsike	1,427	1,064	113
Clover, Alsike and White	199	38	15
Clover, White	481	516	996
Clover, Suckling	82	83	29
Clover, Crimson	41	30	30
Alfalfa	314	657	569
New Zealand brown top (Highland bent)	47	71	97
Total (Seeds Listed)	23,768	16,040	41,154

Ministry of Agriculture, Fisheries and Food - Seed Branch

U.K.: Selected Grass and Legume Seed Supplies and Distribution, 1954-55

Kind of Seed	Production	Carry-over 6-1-54	Imports	Total Supply	Exports	Domestic disappearance	Carry-out 5-31-55
			1,000 pounds				
Ryegrass, Perennial	16,798	4,825	9,609	31,232	2,588	21,689	6,955
Ryegrass, Italian	5,304	2,200	5,178	12,682	132	9,558	2,992
Ryegrass, other	935	674	1,876	3,485	15	2,190	1,280
Orchard grass	5,183	2,296	2,972	10,451	1,054	6,934	2,463
Timothy	1,099	996	4,439	6,534	107	4,873	1,554
Bluegrass, Danish	2	67	562	631	5	349	277
Bluegrass, Kentucky	5	4	68	77	1	36	40
Fescue, Meadow	493	93	1,535	2,121	12	1,493	616
Fescue, Tall	20	126	164	310	4	167	139
Fescue, Creeping Red	261	187	660	1,108	6	687	415
Fescue, Chewings	14	270	1,307	1,591	6	1,043	542
Fescue, other	1/	276	438	714	8	402	304
Trefoil	1,246	238	93	1,577	100	1,169	308
Clover, Red	1,574	1,329	7,085	9,988	480	6,329	3,179
Clover, Alsike	10	1,064	2,742	3,816	356	2,033	1,427
Clover, Alsike & White	1/	38	281	319	---	120	199
Clover, White	127	392	1,766	2,285	158	1,735	392
Clover, Suckling	28	83	21	132	25	24	83
Clover, Crimson	10	30	28	68	---	27	41
Alfalfa	6	657	419	1,082	6	761	315
New Zealand brown top (Highland bent)	1	71	186	258	33	177	48
Total (SEEDS LISTED)	33,116	15,916	41,429	90,461	5,096	61,796	23,569

1/ Less than 500 pounds.

Ministry of Agriculture, Fisheries and Food, Seed Branch

The carryover of grass and legume seeds in the hands of United Kingdom licensed seedsmen at the beginning of the 1955-56 crop year was about 50 percent greater than a year earlier. However, the carryover at the beginning of the 1954-55 crop season was unusually small, about 40 percent of the stocks on June 1, 1953. The 1955 carryover is 42 percent below that of June 1, 1953.

The carryover of the ryegrasses and orchard grass is still very short, but timothy seed carryover is much larger. That of red and alsike clovers is surprisingly larger compared with 1954 and 1953. Stocks of all of the fescues are larger than at the 2 preceding inventory dates.

These carryover data would indicate a strong need for new crop seeds, but current crop prospects both in the United Kingdom and in other northern European countries are unusually good. Harvest season weather has been the most favorable in the past 15 or 20 years.

- -

RHODESIA AND NYASALAND: NEW TRADE AGREEMENTS AND CUSTOMS TARIFF

Effective July 1, 1955, new federal trade agreements were signed between the Federation of Rhodesia and Nyasaland and the Union of South Africa and also Australia. While these two federal agreements reputedly replace former agreements solely between Southern Rhodesia and the other 2 countries, the scope of the new agreements is somewhat wider than the previous ones.

The South Africa agreement provides for a minimum duty-free quota of 2 million pounds of Federation tobacco for entry into South Africa, as well as for free interchange of a number of agricultural items of present or potential importance, some of which are presently only interchanged in small quantities or in surplus years. These includes such items as corn, dairy products, and meat.

The agreement with Australia provides for admission of Federation-grown tobacco at a preferential rate of 9 pence per pound lower than the rate of duty payable under the British Preferential Tariff of the Australian Customs Tariff. Australian wheat, processed milk, tallow, and xanthates are admitted free of duty and are the principal exports by Australia to the Federation. Free entry of Australian butter, cheese (Cheddar and Gouda), fresh, frozen or chilled mutton and lamb, and agricultural machinery are also provided.

On several agricultural commodities and some 70 manufactured items of potential interest to Australia and in which trade is presently small but promising, the Federation guaranteed rates of duty no higher than those accorded to any other Commonwealth country or territory (other than Bechuanaland Protectorate). (Contd. next page.)

The agricultural items comprise certain processed agricultural products, e.g. cheese (except Cheddar and Gouda), jams and honey, baby foods, dried fruits, soups and extracts, canned fruits and vegetables, wines, canned meats, confectionery, wheat (ground or otherwise prepared), patent or proprietary tonic foods (including beverages), and canned fish.

Earlier in the year the Federation renewed its trade agreement with France. It is reported that the new agreement provides for the French Union purchasing approximately $1,204,000 of unmanufactured tobacco from the Federation, of which $364,000 is expected to be used for fire-cured and burley tobacco from Nyasland. The Federation agrees in return to remove all restrictions on the importation of wines, spirits, and cigarette papers from France and all other sources, and to authorize the importation of a quota of specified French products.

It is also reported that the Federation has signed a trade agreement with Germany, concerning which details are not yet available.

Customs Tariff:

On July 1, 1955, the Federation of Rhodesia and Nyasaland put into effect its first Federal customs tariff, which replaces the former separate territorial tariffs, including that for Southern Rhodesia. Special treatment is provided for South Africa on the list of items specified under the new trade agreement between the Federation and the Union. A number of agricultural items produced in the Union are admitted into the Federation free of duty. Preferential rates of duties apply also to other Commonwealth countries.

AGRICULTURAL SITUATION IN ENGLAND AND WALES

Arable crop area in England and Wales decreased for the second successive year (down 479,000 acres or 5 percent); but permanent grassland is up a quarter of a million acres and temporary grass up 172,000 acres, according to provisional June returns for 1955 of the Ministry of Agriculture, Fisheries, and Food.

Oats and barley acreages are up compared with June 1954; barley 2,103,000 acres compared with 1,874,000, and oats 1,498,000 compared with 1,469,000. Barley acreage is more than double that of prewar. The exceptionally fine sunny weather in July resulted in an increase in the quantity of high-quality baled hay. Wheat acreage is down by about 469,000 acres or one-fifth, compared with an increase of 11 percent in 1954, but harvest conditions are greatly improved this year as compared with last year. The long-term outlook for wheat, coupled with the 20-percent drop in acreage, suggests a greater reliance by Britain on imported supplies, according to The Farmers Weekly of August 19, 1955.

The total number of pigs is reported as having declined 5 percent (224,000), but the number of bred gilts is down 43 percent, and total breeding sows down 14 percent, compared with 1954, which was a record year. Guaranteed prices for pigs were reduced by the 1955 price review. Sheep numbers have continued to increase, including an increase of 279,000 breeding ewes over 1954. While the total of cattle and calves is slightly less than in 1954, it is reported that there is a marked rise in the number of females being bred for beef. Because of earlier slaughtering, part of the beef usually marketed in the autumn and winter months has already been eaten.

Apples, pears, and plums all indicate light crops, with a scarcity of cooking apples indicated by next winter. Reports indicate that the hops crop will be adequate to meet 1955-56 demand, including export and quantities not consigned to the Marketing Board.

- - - - - -

PARTIAL LIBERALIZATION OF PORTUGUESE DOLLAR IMPORTS

A list of commodities which may be freely imported from the dollar area was published in the Portuguese Official Gazette of August 6, following a recent decision by the Council of Ministers for Foreign Trade. The list includes the following agricultural products: Wheat, tobacco, hops, live animals, certain relatively minor animal products, and some canned foods (among which are meat, vegetables, and unsweetened fruit -- but not juices or sweetened fruit).

Wheat and tobacco, the main agricultural items on the list, accounted for more than 95 percent of Portuguese agricultural imports from the United States in 1953, but imports of these products will probably not be appreciably affected. Wheat imports are handled by a government-controlled monopoly, to which licenses have always been freely granted. Tobacco imports, though apparently in private hands, are in effect controlled by the 2 companies who lease the government's monopoly of tobacco manufactures, and these have also had no difficulty in obtaining licenses.

- - - - - -

HONDURAS PERMITS FALL IMPORTATION OF GRAINS AND VEGETABLES

Due to the recent drought, shortages of certain food products have caused the Honduran Chief of State to permit temporary duty-free importation of these products: Corn, rice, beans, potatoes, and onions, which can be imported duty free with the following restrictions: (1) the importer cannot realize more than 10 percent net profit; (2) the importer cannot sell quantities greater than 5 tons to any retailer in a 5-day period and (3) the retailer cannot realize more than 5 percent net profit. In addition, potatoes and onions may be imported free of all government levies except for consular fees, dock cartage, and storage charges during the present shortage.

CANADA'S FLAXSEED CROP
LARGEST SINCE 1912

Canada's 1955 flaxseed harvest is officially estimated at 22,253,000 bushels from 1,988,000 acres. A crop this size would be the largest since 1912 when 26,130,000 bushels were produced. Moreover, the yield per acre at almost 11.2 bushels would be the highest since the 11.3-bushel yield of 1923. Last year's harvest was 11,238,000 bushels from 1,206,000 acres. The largest crop of the past 10 years was 17,721,000 bushels produced in 1948.

SWEDEN'S OILSEED PRODUCTION
DOWN FROM 1954

Sweden's 1955 oilseed production was estimated on July 15 at 162,600 short tons. This represents a decline of 9 percent from the 1954 output of 178,350 tons, even though total acreage was up slightly.

SWEDEN: Oilseed acreage, yield per acre,
and production, 1954 and 1955 1/

Oilseed crop	Acreage (1,000 acres)		Yield per acre (Pounds)		Production (1,000 short tons)	
	1954	1955	1954	1955	1954	1955
Winter rape	151.0	161.9	1,722	1,561	130.1	125.7
Spring rape	14.8	11.6	803	803	6.0	4.6
Winter turnip rape	28.9	48.7	1,312	937	38.9	22.7
Spring turnip rape	5.4	5.2	406	535	1.1	1.4
White mustard	24.5	20.2	794	714	9.7	7.3
Flaxseed	7.2	2.2	741	758	2.6	.9
Total oilseeds	246.9	249.8	1,445	1,303	178.4	162.6

1/ Estimate as of July 15, 1955.

Although production is expected to be smaller than last year, the output probably will be sufficient for domestic needs. Home-produced vegetable oil is used in the production of margarine to an extent of only 33 percent. This calls for about 33,000 tons of rape and mustard oil compared with a probable production of about 55,000 tons.

- - - - - - -

ARGENTINE TUNG OIL QUOTA TO U. S. VIRTUALLY COMPLETED

Argentine clearance of tung oil during August for shipment to New York is reported at 600 metric tons (1,322,760 pounds). With this shipment the agreed maximum quota of 21.8 million pounds that may enter the United States from Argentina in the crop year ending October 31, 1955, is believed to be virtually filled.

United States imports of tung oil from Argentina during the period November 1954-June 1955 amounted to 19,333,245 pounds. This volume plus Argentine exports to this country during June-August reported at 2,380,968 pounds, which presumably would enter the United States during July-September, would bring the total quantity from Argentina to 21,714,213 pounds. In addition to the above clearance for shipment to New York, Argentina also cleared 720 tons (1,587,312 pounds) during August for shipment to Montreal.

Paraguayan tung oil cleared during August for shipment to New York is reported at 270 tons (595,242 pounds), the first Paraguayan oil reported for export to the United States since April. This quantity added to the United States imports from Paraguay during November 1954-June 1955 of 1,565,556 would indicate that total arrivals from Paraguay through September may reach 2,160,798 pounds. This represents 77 percent of the maximum quota of 2.8 million pounds that may enter the United States from Paraguay during the current marketing year.

- - - - - -

CHILE'S AGRICULTURAL PRODUCTION SUFFERS ANOTHER SETBACK

The extreme cold of early July, with its snows and heavy frosts, and with a lower than usual precipitation during the winter, have combined to seriously affect agricultural production in the central zone of Chile, which extends from Arauco in the south to Valparaiso in the north. Along with the dry weather, a low reserve of snow in the cordillera is expected to exert a delayed effect as the spring and summer advance, and the need for irrigation water increases. Moreover, water which should be going into storage during these winter months is already being drawn upon because of the lack of normal precipitation.

Loss of the crop in the citrus area is reported to be as high as 80 percent in some zones but in general is given as from 30 to 35 percent. Though other orchard crops of the central zone have been affected, no estimate of damage is presently available. Fresh vegetable production on the small holdings which supply the Santiago and Valparaiso markets have also suffered. Wheat production on more than 370,000 acres of the central zone will probably be affected by the low snow reserve in the cordillera. Pastures are poor, and heavy losses of livestock are reported because of lack of moisture throughout the area. (Cont'd., next page.)

In addition, the recent activity of the Rinihue Volcano (near Lake Ranco) in the southern province of Valdivia has scattered a heavy ash over a zone between 210,000-220,000 acres. It is reported that 1,000 hectares of agricultural soil may be lost for a number of years due to ash fall out, and that about 25,000 acres of natural hill land pasture will be out of production for at least a year. The estimated loss in the livestock population has been as follows: Cattle, 25 percent (approximately 1,875 head) and sheep, 50 percent (approximately 1,000 head). There is considerable dairy production in the area. The provinces of Valdivia, Osorno, and Llanquihue have just been declared a zone of emergency to enable full assistance to all affected in the area.

\- - - - - -

TURKEY TO SUBSIDIZE FIG EXPORTS
AND INCREASE RAISIN EXPORT SUBSIDY

The Turkish Minister of Economy has recently announced a new foreign trade program which will provide for the first time an export subsidy on dried figs, equivalent at the official exchange rate to 2.4 cents per pound. The maximum export subsidy now granted on raisins is to be increased from 2.6 to 4.8 cents per pound.

BEANS: U. S. EXPORTS IN JUNE AND
CUMULATIVE THROUGH JUNE

June: Exports of United States beans totaled 114,190 bags of 100 pounds in June of 1955, more than double that of May but 16 percent less than in June a year ago. About 75 percent of the 1955 exports went to four countries in Latin America. Two of these, Nicaragua and El Salvador, were new customers. Drought, shortage of supply, and high local prices were the principal causes of these new purchases.

Ten months--September to June: Exports for the first 10 months of the current marketing year--September 1954 through June 1955 -- totaled 1.4 million bags, 20 percent less than the corresponding 10 months of last year. Mexico and Western Europe contributed heaviest to the decline, the major causes being improved 1954 production in Mexico and a shortage of United States white beans for the European market.

In the past 10 months there were 6 new customers. Combined, they took 136,000 bags. About 88,000 bags of these were pinto beans given to Hungary and Haiti as flood relief. About 50,000 bags were small red and pinto beans sold at reduced prices from CCC stocks to El Salvador, Nicaragua, and Honduras.

See dry beans export table, opposite page.

United States Exports of dry beans to specified countries by variety in June 1955

Country of Destination	Beans, seed: all types	Beans Other ripe	Pinto	Red Kidney	Great Northern	Pea Beans	Other White	Total
				100-pound bags				
Canada	-	60	-	697	-	753	631	2,141
Panama	-	15	-	225	-	-	-	375
Mexico	-	-	11,105	-	-	-	954	12,059
Venezuela	80	-	-	844	899	110	202	2,135
Philippines	-	-	-	-	404	816	-	1,220
Canal Zone	-	-	-	80	-	-	-	80
Cuba	62	21,189	1,656	15,281	12,244	2,320	130	52,882
Nansei and Nanpo Islands	-	-	-	938	-	-	-	938
New Zealand	80	-	-	-	-	-	186	266
Leeward and Winward Islands	-	-	-	50	-	-	-	50
Netherlands Antilles	-	-	-	120	-	-	199	319
Bahrein	-	93	-	-	-	-	-	93
El Salvador	-	10,000	-	-	-	-	-	10,000
Nicaragua	-	30,000	-	-	-	-	-	30,000
Others	-	40	600	540	-	390	60	1,630
Total	222	61,532	13,361	18,775	13,547	4,389	2,363	114,188

CONTENTS. (Cont'd. from Cover):

- -

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C.

International Meat Trade: 1954. Foreign Ag. Circ. FLM-12-55

Switzerland: Poultry and Egg Situation. Foreign Ag. Circ. FPE-12-55

Brazilian Policies and Programs That Affect U.S. Trade in Agricultural Products. Foreign Ag. Circ. FATP-28-55

Marketing of Egg and Poultry Products in Curacao. Foreign Ag. Circ. FPE-11-55

Germany Expects Large Hops Crop This Year. Foreign Ag. Circ. FH-2-55

Tobacco Production in the Northern Hemisphere for Harvest in Second Half of Calendar Year 1955. Foreign Ag. Circ. FT-42-55

Foreign Agricultural Trade Digest---August 1955.

L A T E N E W S

Production of 500,587,000 bushels of wheat is indicated in the first official forecast of 1955 crop production in Canada, released August 30. The forecast is about 67 percent above the small 1954 harvest. The current estimate consists of 480,714,000 bushels of spring wheat and 19,730,000 of winter wheat. Forecasts by the Dominion Bureau of Statistics for other grain and feed crops are as follows: Oats 435,880,000 bushels, barley 268,798,000 bushels, rye 15,432,000 bushels, mixed grains 64,000,000 bushels, and tame hay, including clover and alfalfa, 19,381,000 short tons. Additional details will be included in the next issue of Foreign Crops and Markets.

August weather has benefited Canadian agricultural production. Rains in the second week in Ontario and Quebec Provinces relieved drought which had been seriously affecting late summer crops. Although acreages of flue cured tobacco and soybeans are lower than last year, yields per acre will be good. In the Prairie Provinces grain crops are maturing under favorable conditions, and unless an early freeze occurs, total production will be well above average. Canadian potato crops are developing well with a crop of 54,334,000 bushels estimated. Industry places Canadian apple production well above the preliminary government estimate of 17,600,000 bushels.

Flour milling representatives from the U. K., Colombia, Ecuador, Venezuela, and Peru are in Canada for a month at the invitation of the Canadian Wheat Board. They will study production, grading, milling, storage, and merchandizing of wheat and other grains.

An order for approximately 8 million pounds of surplus butter, to be shipped abroad, has been received by the Canadian government, according to a report in the Canadian press August 23. The report indicated that the butter would be shipped to the Republic of Germany, and that there was possibility of transshipment from there to points behind the Iron Curtain.

Fruit and nut prospects are down in Iran. Production estimates are as follows: Pistachio nuts--one-fourth last year's total, with 2,200 short tons expected; apricots--4,900 to 5,500 short tons, approximately three-fifths last year's 8,812-ton production; almonds--2,200 tons, one-fourth of the 8,818 tons produced last year; and walnuts--3,300 tons, half the total produced last year.

- -

CORRECTION: In the article entitled "Cuba Delays Potato Imports" in the previous (August 29, 1955) issue of Foreign Crops and Markets, the last sentence should have read, "The Ward Steamship Line has reduced rates on shipment of potatoes from the United States to Cuba from $1.27 to $1.20 per 100 pounds.